Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 5/30/2002

GAIN Report #GR2011

Greece

Tomatoes & Products

Annual

2002

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Report Highlights:

Table and industrial output is close to 1,620,000 MT compared to 1,720,000 MT a year earlier. Total industrial tomato production in 2002 is now estimated at 880,000 MT, which will be delivered to processors for tomato paste and other tomato products. About 790,000 MT will be processed for tomato paste and 33,500 MT will be processed for canned tomatoes. Production has not reached the Greek quota for the last few years due to a number of developments, international and at the EU policy level. Again this year, Greek traders managed to ship about 90% of their total, because selective European clients are convinced of its quality.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rome [IT1], GR

SECTION I. SITUATION AND OUTLOOK

Total industrial tomato production in 2002 is now estimated at 880,000 MT, which will be delivered to processors for tomato paste (hot break and cold break) and other tomato products. About 790,000 MT will be processed to tomato paste and 33,500 MT will be processed for canned tomatoes (whole crushed, chopped and diced) and the remaining amount of approximately 51,000 MT will be either sold in the fresh market or categorized as farm use, losses and waste.

While official forecasts for the 2002 tomato crop are still not available, present preliminary indications are that total tomato output (both table and industrial) is close to 1,620,000 MT compared to 1,720,000 MT a year earlier. This very significant drop is attributed mostly to low prices of canned tomato products, which dominate in the international industrial tomato market as competitive countries like China and Israel enter the markets with extremely low prices. At the same time recent changes in the EU policies, have caused reduction of the support price paid to growers from .08 Euro/kg to .034 Euros/kg of today. This development has created insecurity to farmers fearing that their income from industrial tomatoes will be reduced and make them shift to other irrigated crops. Most of the farmers, trying to increase their income, have utilized part of their land resources for alternative crops other than tomato, such as cotton, cucumber, onions and corn.

The prevailing EU Reg.2699/2000, 449/2001 and 2201/96 establish a support price paid directly to growers and also set allocation quotas for industrial tomatoes to be processed by the community and by each member country of the community. This support price is still set at 0.034 Euros/kg (34.5 Euro/MT). The tonnage quota allocated to Greece for industrial tomatoes is set at 1,211,241 MT and for all the Community is set at 8,251,455 MT. Greek national quota level was not reached for the last few years due to a number of developments in both the international trade and EU policies implemented, mentioned above.

SECTION II. NARRATIVE ON SUPPLY AND DEMAND, POLICY AND MARKETING PRODUCTION

Production

A drastic reduction in acreage was observed since growers were reluctant to sign contracts with the industries, fearing that they would not be able to receive a satisfactory price for their product. The average acreage grown with industrial tomato varieties in Greece, is 2 Ha per farming family.

Yields of tomato paste (28-30% TSS basis) in 2001 is estimated at 5.9 kg of fresh tomatoes per 1 kg of tomato paste, compared to 5.7 kg the prior year. The majority of the processing plants continue to use aseptic packaging in 250 kg net weight drums at 28-30% TSS basis (hot break product) and cases 36-38% TSS basis (cold break product). Few plants in Greece produce retail size cans of 5 kg on request.

Only 17 plants will process tomato paste during the 2002 season compared to 38 in 2000 season. Most of the plants are located to Macedonia, Thrace and Thessaly. The reduced number of operating plants depicts the financial problems Greek tomato industry faces, because of the developments observed in the international markets concerning trade of

canned tomato products, which caused a stiff competitive environment. Only economically robust industries managed to survive. The average capacity of plants is 1000 MT of fresh tomatoes per 24 hours. The largest plant operates with about 2,500 MT per 24 hours (3 shifts).
Industrial Tomato production in Greece varies from area to area and varieties grown also differentiate by region. Harvesting of Industrial Tomato starts in the first half of August and continues till end of September. This year planting of fields was delayed due to heavy rainy weather, which did not allow access in to the tomato fields. Because of that, a late crop may be expected by 1-2 weeks. Harvesting take place either by hand or mechanically. Harvesting by hand, offer a better and uniform product, which farmers deliver to the processing plants. This kind of procedure is repeated 2-3 times through the season, while mechanical harvesting takes place once. Various types of tomato varieties are utilized to satisfy both bioclimatic and harvesting conditions.

Seeds used for planting have increased yields per area unit and have freed land for other uses. Seed used for planting must be certified by the competent authorities. Here must be cited that GMO content is totally prohibited in any tomato seed lots planted in Greek soil. As regards the final product qualitative characteristics, Greek processors have to comply with their client's requirements where, particularly for Europe, there are very detailed and extensive laboratory tests to be carried out prior to shipment of tomato products. In addition packing plant production controls have to be applied such as HACCP, public health standards, ISO and others, to be implemented according to relevant EU legislation.

Consumption

Consumption of fresh tomatoes in recent years averages about 700,000 to 750,000 MT annually and is spread throughout the year as a result of the continued supply from tomatoes under cover during the period from November through June. Consumption of canned products stands between 50,000-60,000 MT net weight annually, which varies according to season and dietetic habits of the average Greek. Presently those amounts consumed domestically are of high quality, compared to those consumed in other EU and third countries. Reportedly, trade sources emphasized the fact that good quality Greek paste sold to foreign markets is blended with lower quality product, while at the same time retail prices do not differ from those paid within the EU.

Stocks

Although there are no official sources for data on stocks, information gathered through industry and trade, indicate that stocks of tomato paste at the end of the marketing year (June 30, 2002) will be close to 25,000 MT. It should be noted that a good portion of these stocks are committed but not yet shipped. Stocks of other tomato product (canned tomato products, crushed tomato and juice) are at normal levels as well. Greek traders manage to ship about 90% of their total supply every year due to high quality required by selective European clients, in particular.

Trade

The foreign demand for tomato paste at present is low because of large world production levels observed in recent years. Export ex-factory prices for tomato paste, 28-30% TSS basis, aseptically packed in drums during October-November 2001 ranged between 587 and 660 Euros/MT, FOB basis. At present, prices for the product (2002 crop) are at approximately the same levels as last year and Greek producers have already proceeded with advance pre-sales to their traditional buyers.

Policy

With respect to tomatoes, the GOG continues to implement policies based on EU guidelines. All relevant EU Regulations pertaining to the Industrial Tomato sector are cited in GR 1008 (p.12) and in the Situation and Outlook Sector, above.

Withdrawals, since 1st of January 2002 are set at 10% of the marketable amounts, but due to lower crop production during the past few years, withdrawals do not have any practical meaning for Greece. However, the EU withdrawal price for 2002 is set at 4.83 Euros/MT. Farmers get organized through their own groups and cooperative organizations and negotiate grower prices with processors in their regions. For 2001 and 2002 the agreed price was at approximately 0.052 Euros/kg for tomatoes delivered to processors. Adding the EU support to be paid to the farmers (price subsidy), they finally receive for any delivered kilogram, the total of 0,086 Euros/kg.

Greek farmers cultivate an average area of 2 Hectares per family compared to 20-25 Hectares elsewhere in the EU (Spain and Italy). This does not make Greek farmers satisfied who feel that both measures, the EU quota and price subsidy status, discriminate against them compared to other European farmers.

PS&D Tables, Fresh Tomatoes

PSD Table						
Country	Greece					
Commodity	Fresh Tomatoes				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2000		01/2000
Plnt For Fresh Consump	0	17000	0	17200	0	17000
Plnt For Processing	0	19500	0	16170	0	14700
TOTAL Area Planted	0	36500	0	33370	0	31700
Harv. For Fresh Cons.	0	17000	0	17200	0	17000
Harv. For Processing	0	19500	0	16170	0	14700
TOTAL Area Harvested	0	36500	0	33370	0	31700
Fresh Sale Production	0	770000	0	750000	0	740000
Processing Production	0	1150000	0	970000	0	880000
TOTAL Production	0	1920000	0	1720000	0	1620000
TOTAL SUPPLY	0	1920000	0	1720000	0	1620000

PS&D Table, Canned Tomatoes

PSD Table						
Country	Greece					
Commodity	Canned Tomatoes				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Deliv. To Processors	43550	43550	30000	37000	0	39000
Beginning Stocks	1799	1799	2199	2199	199	5555
Production	36900	36900	24500	31356	0	28400
Imports	14000	14000	18000	19000	0	16000
TOTAL SUPPLY	52699	52699	44699	52555	199	49955
Exports	18000	18000	12000	14500	0	14000
Domestic Consumption	32500	32500	32500	32500	0	32750
Ending Stocks	2199	2199	199	5555	0	3205
TOTAL DISTRIBUTION	52699	52699	44699	52555	0	49955

Export Trade Matrix, Canned Tomatoes

Export Trade Matrix			
Country	Greece		
Commodity	Canned Tomatoes		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	80	U.S.	
Others		Others	
France	671	France	347
Holland	1907	Holland	2650
Belgium-Lux.	623	U.K.	7953
U.K.	10255	Other EU	1134
Other EU	850	>Sub Total EU	12084
>Sub Total EU	14306	Poland	37
Poland	167	Cyprus	146
Cyprus	196		
Lebanon	146		
Total for Others	14815		12267
Others not Listed	420		295
Grand Total	15315		12562

Export statistical data for 2001 covers January through September

Import Trade Matrix, Canned Tomatoes

Import Trade Matrix			
Country	Greece		
Commodity	Canned Tomatoes		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	8615	Italy	5556
Spain	262	Spain	79
Other EU	277	Germany	426
Germany	395	Other EU	139
>Sub Total EU	9549		
Total for Others	9549		6200
Others not Listed	7		16
Grand Total	9556		6216

Import statistical data for 2001 covers January through September

PS&D Table, Tomato Paste, 28-30% TSS Basis

PSD Table						
Country	Greece					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Deliv. To Processors	1019000	1019000	950000	85400	0	790000
Beginning Stocks	43000	43000	21000	21000	7500	25500
Production	180000	180000	152500	145000	0	134000
Imports	3500	3500	4500	12000	0	14000
TOTAL SUPPLY	226500	226500	178000	178000	7500	173500
Exports	190000	190000	155000	135000	0	135000
Domestic Consumption	15500	15500	15500	17500	0	17500
Ending Stocks	21000	21000	7500	25500	0	21000
TOTAL DISTRIBUTION	226500	226500	178000	178000	0	173500

Export Trade Matrix, Tomato Paste, 28-30% TSS Basis

Export Trade Matrix			
Country	Greece		
Commodity	Tom. Paste,28-30 % TSS Basis		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	66
Others		Others	
Holland	14709	Holland	23900
Germany	12076	Germany	8152
Italy	23611	Italy	9800
U.K.	36142	U.K.	27618
Other EU	9055	Other EU	8372
>Sub Total EU	95593	>Sub Total EU	77842
Poland	1629	Poland	624
Romania	1381	Romania	578
Latvia	1272	Latvia	368
Libya	11772		2765
Total for Others	111647		79412
Others not Listed	7839		9279
Grand Total	119486		88757

Export statistical data for 2001 covers January through September

Import Trade Matrix, Tomato Paste, 28-30% TSS Basis

Import Trade Matrix			
Country	Greece		
Commodity	Tom. Paste,28-30 % TSS Basis		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	2014	Italy	13703
U.K.	192	Germany	170
Germany	450	Other EU	541
Other EU	213	>Sub Total EU	14414
>Sub Total EU	2869		
Total for Others	2869		14414
Others not Listed	214		1
Grand Total	3083		14415

Import statistical data for 2001 covers January through September